

**TESTIMONY OF STANLEY JACKSON**  
**DEPUTY MAYOR FOR PLANNING AND ECONOMIC DEVELOPMENT**  
**BEFORE**  
**THE COUNCIL OF THE DISTRICT OF COLUMBIA**  
**COMMITTEE ON ECONOMIC DEVELOPMENT**  
**ON THE SUBJECT OF**  
**AGENCY OVERSIGHT PERFORMANCE HEARINGS ON**  
**FISCAL YEAR 2004 AND 2005 BUDGETS**



**FEBRUARY 23, 2005**  
**COUNCIL CHAMBERS**  
**1350 PENNSYLVANIA AVENUE, N.W.**  
**WASHINGTON, D.C.**

Good Morning Chairperson Ambrose, and other Members of the Council. I am Stanley Jackson, Deputy Mayor for Planning and Economic Development. It is my pleasure to testify before you today on the FY 2004 expenditures of my Office—and outline our neighborhood development goals and the projected expenditures to achieve them in FY 2005.

### **DMPED Mission**

As you know, the mission of the Office of the Deputy Mayor for Planning and Economic Development is to support the Mayor by developing and executing the District's economic development policies. We advise the Mayor on the most effective use of public resources for economic development, recommend capital financing strategies, and serve as the principal governmental contact for businesses looking to expand within – or move to – Washington, D.C.

To complete this mission, we fulfill three principal roles:

***First, we manage and coordinate the executive agencies involved in economic development.*** These agencies are at the core of the city's urban planning, arts and humanities, financial and employment services, housing development and business attraction.

***Second, we develop policies and programs to grow and diversify the District's economy.*** Rather than relying on one industry sector to sustain the city's financial welfare, we cast a wide – but smart – net. Our priorities and policies are

designed to court a broad range of private businesses and investors, to more quickly achieve our overall economic goals.

***Third, the Deputy Mayor acts as the Mayor's representative to businesses, developers, and other government agencies.*** Every day, I attend events, and my staff and I meet with businesses and community leaders – and District residents – to factor their thinking into the future of our city. Each month, my Office responds to hundreds of inquiries and requests—all with a view toward continued expansion of our economic base.

### **FY 2004 and 2005**

In FY 2004, we set out to achieve our mission with a local budget of \$4,307,661, which was revised to \$10,850,245 to support one-time expenditures for Mayoral initiatives. I am pleased to tell you that we closed the fiscal year within that budget.

Our FY 2004 budget also contained more than \$23.8 million in O-type funds: a \$12 million pass-thru for our business improvement districts; \$6.5 million from the Commercial Revitalization Trust to support *reSTORE DC*; and \$5.3 million in Industrial Revenue Bond fees.

In FY 2005, we have set out to achieve our mission with a local budget of \$4,633,996, an increase of \$326,334 – or 7 percent – over the previous mark of \$4.3 million. Most of this increase will cover rent for our *Home Again* and

*reSTORE DC* programs in their new offices. Currently located at Judiciary Square, *Home Again* and *reSTORE* will join the Office of Planning and the Department of Housing Community Development at North Capitol Street in the spring.

In FY 2005, our Office will also have \$17.5 million in O-type funds. This amount includes a \$13 million pass-thru for our business improvement districts; a \$2.5 million carryover balance left in the Commercial Trust Fund from FY 2004; and \$2 million in the Industrial Revenue Bond Program.

No new programs are planned for 2005. Instead, we are going to focus our current programs on our neighborhoods.

### **Economic Development Program Overview**

As you all have seen, you cannot turn to the District's sky without spotting a crane. Those cranes are generating more than \$34 billion in economic development activity—concrete and steel that is creating more affordable housing, more jobs and more retail. Last year, Best Buy, The Container Store and H & M opened their doors for the first time. Instead of District residents going to Maryland and Virginia, Maryland and Virginia's residents came to the District. So did new tax dollars. And so did new jobs.

New jobs mean new purchasing power—money that families can spend on living in the city. As I sit before you, we have built more than 12,000 units of affordable housing for those families to buy. In FY 2004 alone, 2,183 units were

financed—and in FY 2005 nearly 3,493 units are in the pipe. Our affordable housing program alone is a \$1 billion investment—\$1 billion to families for a place to call “home.”

Right now, we are sitting in the manifold of one of the hottest economic engines in the country. Other cities stare open-mouthed at the horsepower this downtown is making: We are the top city for domestic real estate. We are the top city for international real estate. We are the number-three city for business travel. We are the number three city for convention travel. The sparks continue to fire.

### **Neighborhood Focus – Programs for 2005**

In FY 2005 my office will be moving that horsepower into our neighborhoods—using downtown’s energy to expand the boon that’s already begun in our communities. We plan to focus on three areas:

***Building new communities.*** We are going to provide more than housing. We are going to provide housing, retail, restaurants, social services and jobs—in one place, as one community.

***Growing our Commercial Corridors.*** We can move shoppers and workers onto our neighborhood boulevards by revitalizing them, improving the streetscapes, upgrading the infrastructure and bringing new tenants into town.

***Improving Conditions at Our “Hot Spots.”*** Crime is not an independent problem. By reducing crime and blight, we increase the opportunity for

development—turning our “hot spots” of crime into “hot spots” for housing, commerce and jobs.

### **DC Neighborhoods – What We Are Already Doing**

We plan to do much. But there is much we are already doing. We want residents to notice what we are doing for neighborhood business. Through *reSTORE DC*, we are helping local business districts with organizing, design advertising, and technical assistance. Right now, we support 11 active Main Street programs – from Adam’s Morgan to Anacostia, Barracks Row to Brookland – with \$580,000 in FY 04 and \$120,000 so far in FY 2005.

At the Enhanced Business Information Center – the e-BIC – *reSTORE DC* provides hands-on, sit-down technical assistance to small businesses in DC. From workshops to workbooks, the e-BIC helped 3,400 entrepreneurs in FY 04 and 1,700 so far in FY 05.

Approximately five years ago, DCRA reported 4,000 vacant and abandoned properties peppering our city. We want our residents to know that – thanks to our *Home Again* program – 330 of those properties have been rehabbed by their current owners and Home Again developers. Since November 2002, *Home Again* has awarded 87 properties to 11 different pre-qualified developers. Those 87 will generate 131 new or rehabilitated housing units, with 49 affordable to buyers at less than 60% of the Area Median Income for a family of four. In FY 2005, *Home*

*Again* is on target to spend \$6.2 million in capital funds and award 70 more properties, creating more homes – and more memories – for more families.

We want residents to know that – in FY 2004 – we used TIF to build our neighborhoods just as much as we did our downtown.: Capitol Hill Tower in Ward 6; Skyland in Ward 7; and Washington Gateway and Rhode Island Place in Ward—the largest use of neighborhood TIFs to date. Another example is DC USA in Ward 1—a \$42 million TIF project, anchored by a 180,000 square foot Target store, and expected to generate 1,000 new jobs.

We will continue using TIF to promote retail development in many of the District’s neighborhood corridors as part of our Major Corridors and Boulevards Initiative. In the spring, we will ask the Council to authorize TIF along the Georgia Avenue and H Street corridors. To do this, we must increase the current TIF cap from \$300 to \$600 million, and we expect to approach the Council with a formal request to do just that.

### **Conclusion – Tying Big to Small**

As you know, we also have some big real estate to develop. We are redeveloping our former convention center into a new city center for Washingtonians from all walks of life. The new center will feature more than 700 units of housing – 20% of them affordable – a one-acre park, retail, restaurants, parking, office—and an atmosphere that energizes downtown 24-hours-a-day,

seven days a week. Tax revenues from this project can total upwards of \$15 million a year. We are working with the Convention Center authority to build a convention center hotel on 9<sup>th</sup> St. and Massachusetts Avenue, to increase the convention center's performance and the strength of our tourism industry.

We are building a baseball stadium. While the Washington Nationals play at RFK in FY 05, we will build a new ballpark on the banks of the Anacostia—with District contractors. At RFK, 48 percent of the work is being done by LSDBEs – well above the goal of 35 percent – and it will be so at the new ballpark. Once the new ballpark is up, tax revenues will run up to \$15 million a year.

And we are revitalizing the Anacostia Waterfront. With the birth of the Anacostia Waterfront Corporation, we can finally realize the rebirth of the Anacostia River—2,800 acres for which we are planning 4,500 housing units, 600,000 square feet of retail and 3 million square feet of office space.

I want residents to know that – in 2005 – the Office of the Deputy Mayor for Planning and Economic Development will link and leverage the Downtown boon to spark and expand neighborhood economic development. We will focus on connecting the government to retail opportunities in the neighborhood. If there is no relationship between downtown development and the daily lives of our neighborhood residents, then all we have is buildings, new structures — and we have failed. We will not fail. Not on my watch.

Chairman Ambrose and other Members of the Council, thank you for your time this morning. I am happy to answer any questions that you may have.

# # #